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September 15, 2023

Via ECF

The Honorable Lorna G. Schofield
United States District Judge
Southern District of New York
500 Pearl Street
New York, NY 10007

Re: NAVCAN.DC, Inc., et al. v. Jeffrey Rinde and CKR Law, LLP, Docket No. 23-cv-02267

Dear Judge Schofield,

Please be advised that Conway & Conway represents Plaintiffs NAVCAN.DC, Inc. (previously known as Cascade Divide Data Centers, Inc.), DACH Holdings, LLC, Silverstein Realty Group, Inc., Silver Springs Development, Inc., GGH, Inc., and Residencial de Chihuahua 2001, S.A. de C.V (collectively, "Plaintiffs") in the above-referenced matter. Pursuant to your Order dated June 1, 2023, the Parties submit a joint status letter pursuant to your Individual Rule IV.A.2 as follows:

(a) Discovery That Has Taken Place

- On June 16, 2023, Plaintiffs served requests for production, interrogatories, and requests for admission. On the same day, Defendants served requests for production, interrogatories, and requests for admission.
- On June 22, 2023, Plaintiffs served initial disclosures.
- On June 23, 2023, Defendants served initial disclosures.
- On June 26, 2023, Plaintiffs served a letter objecting to Defendants' initial disclosures.
- On June 27, 2023, Defendants advised Plaintiffs that Defendants would serve amended initial disclosures.
- On June 27, 2023, Plaintiffs filed a letter motion regarding Defendants' initial disclosures.

- On July 5, 2023, Defendants responded to Plaintiffs' letter motion regarding Defendants' initial disclosures.
- On July 5, 2023, Defendants served amended initial disclosures.
- On July 6, 2023, the Court directed the parties to meet and confer regarding Plaintiffs' disputes concerning discovery and referred discovery matters to Magistrate Judge Willis.
- On July 11, 2023, counsel for the parties met and conferred regarding discovery. The meet and confer was unsuccessful.
- On July 11, 2023, Defendants sent a letter to Plaintiffs refuting Defendants' contentions during the meet and confer.
- On July 13, 2023, Defendants sent a proposed Stipulation and Protective Order governing confidential treatment of documents produced in discovery.
- On July 13, 2023, the parties sent a joint letter to Magistrate Judge Willis regarding outstanding discovery disputes.
- On July 14, 2023, Plaintiffs made a supplemental document production (Plaintiffs had previously produced documents in the prior arbitration).
- On July 17, 2023, Defendants served written responses and objection to Plaintiffs discovery requests and made a supplemental document production (Defendants had previously produced documents in the prior arbitration).
- On July 17, 2023, Plaintiffs served written objections and responses to Defendants' discovery requests.
- On July 21, 2023, the parties met and conferred regarding outstanding discovery disputes.
- On July 21, 2023, the parties submitted a joint letter to Magistrate Judge Willis regarding outstanding discovery disputes. Counsel for Plaintiffs advised that they would not agree to any confidentiality order.
- On July 26, 2023, Defendants filed a letter motion to Magistrate Judge Willis for entry of a protective order governing confidentiality.
- On July 31, 2023, Plaintiffs filed a letter in opposition to the motion for entry of a protective order governing confidentiality.
- On August 2, 2023, Defendants produced 1,042 pages of additional documents.

- On August 2, 2023, counsel for Plaintiffs advised Defendants that Defendants' additional production remains deficient as it omits the same documents identified by Plaintiffs in the Parties' July 21, 2023 joint letter. Counsel for Plaintiffs further advised that Plaintiffs expect to make a further production of documents.
- On August 2, 2023, counsel for Defendants advised Plaintiffs that Defendants expect to make a further production of documents and, based on the lack of Plaintiffs lack of production of relevant documents, Defendants are considering the need for third party subpoenas.
- On August 2, 2023, the Parties submitted a joint letter to the Court in regard to the status of discovery. Several discovery issues remained outstanding.
- On September 1, 2023, Plaintiffs produced 163 pages of additional documents to Defendants. Plaintiffs have completed their document production to Defendants, and possess no further relevant documents.

(b) Procedural History

- On March 16, 2023, Plaintiffs filed a Complaint.
- On March 29, 2023, Plaintiffs filed a Letter Motion requesting alternative service on Defendant Jeffrey Rinde. The Court granted Plaintiffs' Motion.
- On May 17, 2023, at the Court's direction, Plaintiffs filed a Motion for a Default Judgment as a result of Defendants' intentional default.
- On May 18, 2023, Defendants appeared for the first time and filed a Letter Motion for an Extension of Time. The Court granted Defendants' Motion and terminated Plaintiffs' Motion for a Default Judgment.
- On June 1, 2023, the Court referred the Parties to mediation by a court-appointed mediator. The Parties are scheduled to participate in mediation on August 14, 2023.
- On July 7, 2023, Defendants filed a Motion to Compel Arbitration and to Dismiss. Plaintiffs filed an Opposition to Defendants' Motion on July 25, 2023 and Defendants filed a Reply on August 2, 2023. Defendants' Motion is now fully submitted and currently pending before the Court.
- On August 14, 2023, the Parties participated in a mediation. The mediation was unsuccessful.
- The Parties have each made discovery motions as detailed in Section (a) above.

(c) Parties' Plans to Ensure Compliance with Discovery Deadlines

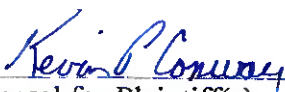
Plaintiffs' Statement

Plaintiffs have completed their document production to Defendants, and to the best of Plaintiffs' knowledge, possess no further documents relevant to this dispute. To the extent that Plaintiffs become aware of additional documents in their possession, Plaintiffs will promptly produce them. Defendants have not produced any additional documents to Plaintiffs since the Parties' last joint letter dated August 2, 2023. Defendants' document production remains severely deficient. Plaintiffs request that the Court compel Defendants to produce the documents identified by Plaintiffs in the Parties' joint letter dated July 21, 2023, including any and all communications between the Parties and other relevant individuals and entities, and any and all documents reflecting what happened to Plaintiffs' escrow payments to Defendants, including but not limited to relevant IOLA or other account statements evidencing Defendants' receipt, deposit, and disbursement of Plaintiffs' escrow funds. Documents evidencing what Defendants did with Plaintiffs' escrow funds are clearly essential to this dispute, wherein Plaintiffs have alleged that Defendants defrauded Plaintiffs in order to convert the escrow funds for their personal benefit.


Defendants' Statement

Defendants respectfully submit that further proceedings in this action be stayed pending a ruling on Defendants' motion to compel arbitration and a resolution of the discovery motions set forth in Section (a) above. Defendants otherwise dispute that Plaintiffs' document production is complete or meets the requirements of Rule 26.

Dated: September 15, 2023
New York, New York



Counsel for Plaintiff(s)



Counsel for Defendant(s)
Michael James McVey